

Amendments to House Bill No. 9  
1st Reading Copy

Requested by Representative Mike Jopek

For the House Taxation Committee

Prepared by Greg Petesch  
May 14, 2007 (5:50pm)

1. Title, line 11.

**Following:** "SCHOOLS;"

**Insert:** "PROVIDING A REFUNDABLE RENTERS' INCOME TAX CREDIT;"

2. Page 4, line 22.

**Strike:** "2007"

**Insert:** "2008"

3. Page 5, line 3.

**Insert:** "NEW SECTION. Section 6. Renter's tax credit -- eligibility -- requirements -- limitations -- refund. (1) Except as provided in subsections (6) and (7) and subject to the provisions of this section, an individual required to file a return under chapter 30 is allowed a renter's credit in an amount equal to 3% of the gross rent paid by the taxpayer in the tax year that the taxpayer rented a dwelling or dwellings as the taxpayer's principal residence for at least 7 months during the tax year. The maximum credit allowed under this section is \$120.

(2) In order to be eligible to make a claim for a credit under this section, the taxpayer must have:

(a) resided in Montana for at least 9 months of the tax year for which the claim is made; and

(b) occupied one or more dwellings in the state as a renter or lessee for at least 7 months of the tax year.

(3) A taxpayer is not disqualified from claiming the credit under this section because of a change of residence during the tax year if the taxpayer occupied one or more dwellings in Montana as a renter or lessee for at least 7 months during the tax year.

(4) (a) A receipt or other evidence of gross rent paid must be filed with the claim for a credit. In addition, each taxpayer shall, at the request of the department, supply all additional information to support the claim.

(b) If two or more individuals are sharing a dwelling, each individual may claim the credit based on the proportional share that the individual pays of the gross rent.

(5) If the amount of credit exceeds the taxpayers' tax liability under this chapter, the amount of the excess must be refunded to the taxpayer.

(6) A claim for a credit is not allowed under this section if the individual's adjusted gross income is greater than \$45,000. For married taxpayers filing jointly or separately on the same form, the credit is not allowed under this section if the combined adjusted gross income is greater than \$45,000.

(7) A taxpayer who receives a residential property tax credit for the elderly under 15-30-171 through 15-30-179 may not claim the credit under this section for the tax year.

(8) For the purposes of this section, the following definitions apply:

(a) "Dwelling" means:

(i) a single-family dwelling or unit of a multiple-unit dwelling and as much of the surrounding land, but not in excess of 1 acre, as is reasonably necessary for its use as a dwelling;

(ii) a single-family dwelling or unit of a multiple-unit dwelling that is rented from a county or municipal housing authority as provided in Title 7, chapter 15; or

(iii) a single-family dwelling or unit of a multiple-unit dwelling in which any portion of the individual's rent payment is derived from rent equivalent payments or from a public rent or tax subsidy program.

(b) "Gross rent" has the meaning provided in 15-30-171.

(c) "Rent equivalent" means a rental payment paid by a governmental agency to a lessor or landlord."

4. Page 5, line 8.

**Strike:** "[Section 5]"

**Insert:** "[Sections 5 and 6]"

5. Page 5, line 9.

**Strike:** "[section 5]"

**Insert:** "[sections 5 and 6]"

- END -